

QUESTIONS AND RESPONSES #1
PROJECT NO. 050R5800163
Strategic Budgeting Consulting Services and Software
RFP
MARCH 2, 2005
Questions and Responses

Ladies/Gentlemen:

This list of questions and responses is being issued to clarify certain information contained in the above referenced RFP. The statements and interpretations contained in the following answers to questions by potential offerors are not binding to the State, unless an addendum expressly amends the RFP. Nothing in the State's response to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the vendor.

1. Question: Will a separate version of the software be installed at each agency, or will it be installed and administered centrally?

Response: It is envisioned that there will be a separate version at each agency. It may begin with a copy of the basic software, but agencies will certainly have different data and use different options of the software suited to their own situations.

2. Question: Is there a single centralized system that will feed cost data to this new system, or will the new system be fed from multiple systems?

Response: No, there is no single centralized system; the proposed software should accommodate uploading of data from spreadsheets and possibly manual input.

3. Question: Are the required allocation methodologies defined, or will the consultant need to work with DBM to design those methodologies?

Response: The consultant will have to work with DBM and user agencies to define the methodologies.

4. Question: Does the State have existing licenses for Microsoft SQL Server, or would these licenses need to be included in the proposal?

Response: All required supporting software should be identified in the proposal. The State may elect to purchase required supporting software through existing State contracts.

5. Question: Section 2.4.12 Maintenance Service of the RFP, what is considered to be an emergency?

Response: An emergency would occur if the software malfunctions and the user agency is approaching a critical deadline.

6. Question: Section 2.4.15 Training and Documentation of the RFP states that within 45 days of issuance of the Delivery Confirmation for initial deployment the contractor is to provide training for up to 150 employees. Is the training to occur within the 45-day period or scheduled?

Response: Within 45 days of issuance of the Delivery Confirmation for initial deployment to DBM, the contractor will conduct one or more software demonstrations to various State agency representatives at DBM's 45 Calvert Street, Annapolis, MD location. The DBM training facility will accommodate 20 participants with individual computer workstations. More than one training session may be scheduled in order to accommodate agency demands. Agency specific training may be provided after a NTP issued by DBM following review and approval of an agency Task Order Agreement that includes training services. The training is to be provided in accordance with the approved Task Order Agreement and may be held at DBM's Annapolis training facility or agency specific locations throughout Maryland. Agency facilities will vary in size and infrastructure availability. DBM estimates that individual agency training sessions will not exceed approximately 20 participants. See Section 2.3.7 of the amended RFP.

7. Question: Can multiple training sessions be held at the same time?

Response: See response to Question 6.

8. Question: Does the State have the infrastructure, computers and network, to support training sessions?

Response: See response to Question 6.

9. Question: Section 2.4.15c of the RFP states that DBM reserves the right to reproduce any and all documents produced by the contractor at no cost to the State, DBM or any other State user. How does the State view this statement with respect to training material under copyright requirements?

Response: The State is referring to documentation specific to this procurement.

10. Question: What are the access requirements for the 500 concurrent users and what kind of access to the data is the State expecting (shared, user only, user group)?

Response: The software will not be utilized through a Statewide network. In addition, see response to Question 1 and the revised RFP for revisions to the financial proposal (Attachment E).

11. Question: Section 2.4.10.4 of the RFP, is this section referring to the State business processes or the business processes of the system?

Response: Business processes of the system; this is now Section 2.2.8.2 of the revised RFP.

12. Question: If oral presentations are required, will system demonstrations be allowed?

Response: See Section 1.15 of the revised RFP, demonstration of the proposed software tool is required.

13. Question: If a COTS product were selected, how would the State define system enhancements? (Source code is seldom available with COTS products and it is not advisable since it would prevent future upgrades).

Response: It is understood that source code is not available with COTS products, enhancements would be users reports, perspectives, user interfaces to input data into the system, methods and formats by which the system would accept data, graphs, views and results (see Section 2.3.5 of the revised RFP.

14. Question: It is not clear in reading through the RFP if the State is looking (1) to implement an Activity Based Costing System (which involves detail allocation rules and business process), or (2) for a reporting application that would enable users to report cost information and perform ad-hoc allocations through simple calculations. There are several COTS ABC applications available. Is the State looking to purchase one of these ABC applications?

Response: The State is not looking for a product to replace or interface with the State's current budget or accounting systems. The State is looking for a COTS software tool to feed in costs to allocate to outputs or outcomes and analyze these costs for management purposes.

15. Question: Is the process stated in Section 1.1.3 first bullet related to the Managing for Results (MFR) process?

Response: Yes, it is related to the MFR process.

16. Question: How often do the State's strategic goals change and are the changes made so that they coincide with the beginning of the State's fiscal year?

Response: Whenever leadership chooses to change the goals, which may or may not coincide with the beginning of the State's fiscal year.

17. Question: What is the expected timeline for having the system reflect the changes in the strategic goals?

Response: Changes in strategic goals will not affect the system and will not require changes to the system.

18. Question: What percentage of existing agencies hardware platform reflect the minimum requirements listed in Sections 2.31 and 2.3.1 of the RFP and what if an agency's platform does not meet the minimum requirements?

Response: The majority of State agencies have similar infrastructures. It will be any agency's responsibility to provide the hardware platform to operate the system, not the responsibility of the contractor. This is now Section 2.2 of the revised RFP.

19. Question: Did the State conduct any impact studies on COTS software, or desire any particular software over another?

Response: No.

20. Question: Will installation of the software be at DBM only or will the software be installed at other existing agencies?

Response: The software will be installed at each user agency, see Section 2.3.2 of the revised RFP.

21. Question: How many agencies are there?

Response: There are approximately 75 financial agencies.

22. Question: The State has a Micro Soft Select agreement. Is there a similar vehicle for Adobe Acrobat in terms of licensing structure?

Response: Yes, there is a Statewide contract for obtaining Adobe Acrobat.

23. Question: How often will the State's security policy change?

Response: Security policies change as a result of new technologies and agency requirements.

24. Question: Will the software proposed have to run on the existing servers listed in the RFP or is the Contractor to purchase Dells or HPs if required to buy the hardware for this project?

Response: The software will run on the user agency's existing hardware; see response to Question 19.

25. Question: There are only 1,000 hours of routine technical support estimated that translates to 6 months of full-time support. If the term for this contract is for 5 years, would that support be considered part-time technical support rather than a full-time on-site technician?

Response: Please see the revised RFP, specifically Attachment E.

26. Question: The estimate for consulting services is 5,000 hours, which equates to 2.5 people for 1 year or 5 people for 6 months. Would the rest of the 5 years just be for ongoing maintenance and enhancements?

Response: As stated in Attachment E (Financial Proposal Form) the estimated hours for any of the services are solely for evaluation purposes and are not a guarantee of any minimum or maximum amounts under this contract and may change at any time during the term of the contract. The amount of technical support will vary from agency to agency and may at times be full-time or part-time.

27. Question: What agencies will be utilizing the services and product, and where are the locations?

Response: Potentially all State agencies. With the larger agencies, work sites are distributed throughout the State of Maryland with locations mainly in the Baltimore/Washington/Annapolis corridor. Following are the representative agencies in the initial target group:

**Department of Health and Mental Hygiene
Department of Human Resources
Department of Public Safety and Correctional Services
Department of Transportation
Department of Juvenile Services
Maryland State Police
Maryland State Department of Education
Department of Natural Resources**

28. Question: Does this Small Business Reserve Program preclude a small business from sub-contracting to a business that does not qualify as a small business?

Response: No, however when proposals are evaluated the experience and qualifications of the offeror and any subcontractor will be evaluated carefully. As required in Section 3.4.2.6 of the RFP, offerors must identify all subcontractors and explain the role a subcontractor will have in the performance of the contract. The prime contractor is solely responsible for all services provided under the contract whether performed by the prime or the subcontractor.

29. Question: Is a small business required to perform a certain percentage of the work or receive a certain percentage of the revenue from this procurement?

Response: No, in addition see response to Questions 28.

30. Question: Does the "price of the software" include installation, test, and training services, or just the software plus seat licenses?

Response: All but the training services, see the revised RFP. This has been added to Attachment E, Price Proposal Form to add in costs for training.

31. Question: Based on the requirements listed in Section 1.15 Oral Presentation and Section 1.31 Non-Visual Access of the RFP, will offerors be required to demonstrate the Non-Visual Access feature of the proposed software at the Oral Presentation?

Response: No, this feature will not need to be demonstrated at the oral presentation but the software would have to meet this requirement of the RFP prior to acceptance.

32. Question: In the server environment, do you Operate SQL Server 2000 as your database?

Response: This varies from agency to agency.

33. Question: The RFP states that the software shall be loaded onto the using agency's environment with no changes to that environment. .NET is one of the items a contractor will need to load the software, is Microsoft Visual J# Redistributable 1.1 allowed?

Response: Yes.

34. Question: For agencies that are not connected to the network, do they have Internet access?

Response: This question is not understood and an answer cannot be provided.

35. Question: What is the desired start date for the project?

Response: Approximately late May, 2005.

36. Question: What is the desired launch date for the software?

Response: Approximately late May, 2005.

37. Question: How much time is expected for the procurement process to purchase the recommended software solution?

Response: See response to Questions 35 and 36.

38. Question: What is the payment schedule for the contract?

Response: See Section 4 of Attachment A (the contract).

39. Question: How many stakeholders will be involved in defining the parameters of the ABC implementation and how many will be involved at an individual agency?

Response: Implementation of the ABC will vary from agency to agency. Through this Statewide contract, DBM will make available the purchase of the software and services as a budget tool to each agency to implement as decided by working with the management team in each agency. Most likely this will result in approximately two key people per agency.

40. Question: What methods are currently used to determine the cost of specific process related activities, indirect cost allocations and direct costing of services?

Response: Allocation of costs by program, by staff time and by other relevant parameters.

41. Question: Is there data from other modules that need to be imported into the proposed ABC software tool?

Response: See response to Question 2.

42. Question: Is this proposed tool expected to have interfaces with any other applications and what are those applications?

Response: No, interfaces with other applications are not a requirement of the software.

43. Does the State expect any data capture of old records to be included in the new system?

Response: Not much beyond the prior year actual costs. In addition, see response to Question 2.

44. For the approach of customized software development of the software tool:

- a. Questions: Can the detailed Requirement Specifications for development be provided?

Response: No, the State is looking for a COTS software tool.

- b. Question: Will the State identify a resource for a complete functional scope?

Response: No, the State is looking for a COTS software tool.

- c. Question: Are there any pre-determined budgets for development?

Response: No.

- d. Question: Does the State have any specific software language/environment preferences for the development of the tool?

Response: See Section 2.2 of the RFP.

45. Question: Can offerors propose using a sub-contractor for this project?

Response: See response to Question 29.

46. Question: Are there any commercially available off-the shelf tools which have previously been used in the department for the purpose of the RFP?

Response: No.

47. What are the proposed timelines for the implementation of the software?

Response: It is expected that the software would be available for purchase and use by the agencies immediately following award of the contract. Implementation schedules will vary on an agency-by-agency basis depending on the number of users and resources for each agency.

48. Question: Is it the State's intention not to purchase a budget system but a process system that brings ABC to the understanding of the cost of doing business?

Response: See response to Question 14.

49. Question: Does the State have representative data available?

Response: Yes, see Attachments J, and I which have been incorporated into the revised RFP.

50. Question: Do the agencies already own Microsoft Access licenses?

Response: In some cases yes.

51. Question: What is the difference between Enhancement Services and Consulting Services?

Response: Enhancement services are changes made to the COTS software as requested by DBM or any agency, Consulting services assist DBM or any agency in the use of the software as a tool in strategic budgeting. Section 2 of the revised RFP.

52. The RFP defines “enhancement” as including “data development and population.” Does the State consider all work to configure software to reflect the unique activities and outputs/processes of each organization to be included in “enhancement?”

Response: This Section 2.3.5 of the revised RFP.

53. What is the source of any cost model used to configure software for acceptance testing?

Response: Vendors should be able to provide a basic structure to the cost model with options for changing parameters that can accommodate various cost allocation methods.

54. What data will be used to populate the cost model?

Response: Data from agencies that engage the contractor through a task order.

55. Is any cost model used to configure the software for acceptance testing complete, or will the contractor be required to perform analyses in order to complete a model?

Response: See response to Question 2.

56. How large is any existing cost model in terms of quantities of resources, activities, outputs/outcomes, and drivers?

Response: For the purpose of this RFP there is none, it would vary from agency-to-agency.

57. Concerning Para.2.4.10.2, what controls will be set in place by DBM to ensure the average effectiveness level during acceptance testing environment is not adversely impacted by any factors other than the software being tested?

Response: See Section 2.2.7 of the revised RFP.

58. Where can we obtain information on the MD Strategic Budgeting Program?

Response: On the DBM website:

http://www.dbm.maryland.gov/dbm_publishing/public_content/dbm_taxonomy/budget/budget_process/strategic_budgeting_guide/2006strategicbudgetingguide.pdf.

59. Question: What is the scope of the warranty in Section 2.4.10 of the RFP? Does it include accuracy of cost model logic or the data used to populate the model, or only the functioning of the software independent of the cost model used?

Response: It should include the software and the accuracy of all the cost model options embodied in the software. This is now Section 2.2.8 of the revised RFP.

60. Question: How does the State define “perpetual license?” Is this meant to include never-ending technical support and upgrades?

Response: The RFP has been revised removing this requirement.

61. Across how many agencies and networks are the 500 concurrent users spread?

Response: The RFP has been revised removing this requirement.

62. Question: How many ABC models will be needed?

Response: The State is looking for one COTS software package that can be utilized by any State agency.

63. Question: How many ABC models are currently designed and available?

Response: If you are asking how many models the State is using at this time, the answer is none.

64. Question: Is the structure of the existing forms including the ABC accounts, which were in use last year available in MS Excel format?

Response: Representative data has been provided in Attachment I, which has been incorporated into the revised RFP.

65. Question: What phase have agencies completed in the Strategic Budgeting Process?

Response: Strategic Budgeting is an ongoing process that will be used by State agencies to assist in developing annual budget requests and has been in place for one budget cycle. In 2005, agencies will use the approach to develop a second budget request. The extent to which agencies have incorporated Strategic Budgeting into their existing budget processes will vary.

66. Question: How many users and what types of users are expected to use the software tool?

Response: It is not possible to estimate how many employees will use the software. It is anticipated that the software will be utilized by budget staff and upper management.

67. Question: The second bullet under Section 3.4.2 is unclear. The example under the second bullet states; "For example, Section 2.1 Para 1; Section 3.2 Para 4; etc.", yet there is no Paragraph 4 in the RFP, Section 3.2, can the State provide clarification?

Response: This is only meant as an example for offerors to follow when preparing a technical proposal not to be taken literally.

68. Question: How is the proposed Section 2 numbering to be inserted into Section 3, which provides the format of the overall technical proposal?

Response: Please reread Section 3.4.2 of the RFP, specifically Section 3.4.2.3.

69. Question: Are offerors allowed to add sections that are felt appropriate for describing how the offeror will meet the needs of the RFP but are not included in the instructions of Section 3?

Responses: Offerors may include any information they feel necessary to explain how the solution will meet the requirements of the RFP. Offerors must be careful not to include information that would be considered exceptions to the RFP or an alternate solution.